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IBTEX No. 38 of 2018 — February 22, 2018

USD 64.99 | EUR 79.77 | GBP 90.41 | JPY 0.61

Cotton Market

Spot Price (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
18812	39350	**77.49**

Domestic Futures Price (Ex. Gin), February

Rs./Bale	Rs./Candy	USD Cent/lb
20010	41856	**82.42**

International Futures Price

NY ICE USD Cents/lb (March 2018)	78.51
ZCE Cotton: Yuan/MT (Jan 2018)	15,015
ZCE Cotton: USD Cents/lb	**90.68**
Cotlook A Index – Physical	**86.85**

Cotton guide: Yet another positive day for Cotton this week. The front month ICE May contract posted a close at 80.39 cents per pound up by more than 100 points from previous close.

In last three days cotton price has advanced over 400 points highest gain in last few months. The major reason as cited in our previous report is huge short squeeze in the front month contract ahead of its 1st notice period and general rebounding in the price.

Further mills still have unfixed positions to cover and the speculators have started to add fresh long positions after the recent decline in both March and May contract from around 84.50+ to 75 cents respectively are supporting cotton price to trade on a stronger note.

Also on the technical front market has breached 80 cents indicating the momentum may continue to remain on the positive side and possibly move towards 82 cents.

Interestingly the December 2018 contract has posted a positive close at 76.40 cents. We believe as long as next year crop trades comfortably above 75 cents the market scenario is considered to be healthy and possibly market may remain on a positive trajectory unless clarity fetched for next year's supply number.

Coming onto trading front the volumes were more or less stable around 50K contracts marginally lower from previous day's figure while the open interest further slid because major chunk was out from March contract. Overall open interest held around 250K contracts.

Today the Chinese markets are opening after a week long holiday. We might see some action in the market. However as of now we pursue market may remain onto positive trajectory. On the price front the May future have a fresh trading band of 78.50 cents to 82.50 cents per pound.

Coming onto domestic market the spot price for S6 variety which was hovering below Rs. 40000 per candy has moved upon Wednesday to around Rs. 40300 to Rs. 40400 per candy ex-gin amid steady arrivals of 160K bales. We believe general mills buying at lower levels and international market moving higher may have supported cotton price to trade strong in the domestic market to manage the parity.

Therefore; the futures price in India for February to April have advanced. For reference February which is due to expire this month end has advanced to closed at Rs. 20000 per bale while March and May ended at Rs. 20250 and Rs. 20500 respectively.

For the day we expect cotton price to trade sideways to positive and the trading range would be Rs. 19900 to Rs. 20200 per bale.

Compiled By Kotak Commodities Research Desk , contact us : mailto:research@kotakcommodities.com, Source: Reuters, MCX, Market source

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	Final version of Trans-Pacific trade deal released, rules pushed by U.S. on ice
2	USA: Will 2018 be cotton's come back year?
3	Turkey: Over 1,000 companies of knitted fabrics records $1.5 billion exports
4	Pakistan: GSP Plus scheme renewal appreciated
5	Bangladesh's aim for $50 billion RMG exports by 2021 seems too high
6	Pakistan: Textile exports grow 7pc in seven months
7	South Korea signs Central American free trade deal
8	Numerous challenges facing Vietnam's exports in 2018
	NATIONAL NEWS
1	Indian e-retail market may see 250% growth in 3 yrs: Crisil
2	Over 100% subsidy target in 2016-17 for PMEGP by KVIC
3	Home textile exporters stare at fall in profitability
4	US wants to increase agriculture exports to India
5	GST e-way bill system may get implemented from March 7
6	India's share in cotton sheets in US rises 1%

INTERNATIONAL NEWS

Final version of Trans-Pacific trade deal released, rules pushed by U.S. on ice

The final version of a landmark deal aimed at cutting trade barriers in some of the Asia-Pacific's fastest-growing economies was released on Wednesday, signalling the pact was a step closer to reality even without its star member the United States.

More than 20 provisions have been suspended or changed in the final text ahead of the deal's official signing in March, including rules around intellectual property originally included at the behest of Washington.

The original 12-member deal was thrown into limbo early last year when U.S. President Donald Trump withdrew from the agreement to prioritise protecting U.S. jobs.

The 11 remaining nations, led by Japan, finalised a revised trade pact in January, called the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). It is expected to be signed in Chile on March 8.

The deal will reduce tariffs in economies that together amount to more than 13 percent of the global GDP - a total of $10 trillion. With the U.S., it would have represented 40 percent.

"The big changes with TPP 11 are the suspension of a whole lot of the provisions of the agreement. They have suspended many of the controversial ones, particularly around pharmaceuticals," said Kimberlee Weatherall, professor of law at the University of Sydney.

Many of these changes had been inserted into the original TPP 12 at the demand of U.S. negotiators, such as rules ramping up intellectual property protection of pharmaceuticals, which some governments and activists worried would raise the costs of medicine.

The success of the deal has been touted by officials in Japan and other member countries as an antidote to counter growing U.S. protectionism, and with the hope that Washington would eventually sign back up.

CPTPP has become more important because of the growing threats to the effective operation of the World Trade Organisation rules," New Zealand Trade Minister David Parker said on Wednesday.

Last month, Trump told the World Economic Forum in Switzerland that it was possible Washington might return to the pact if it got a better deal.

However, Parker said on Wednesday that the prospect of the U.S. joining in the next couple of years was "very unlikely" and that even if Washington expressed a willingness to join CPTPP, there was no guarantee that the members would lift all the suspensions.

Parker said the deal would likely come into force at the end of 2018 or the first half of 2019.

Governments were quick to tout the economic benefits of the agreement.

"The TPP-11 will help create new Australian jobs across all sectors - agriculture, manufacturing, mining, services - as it creates new opportunities in a free trade area that spans the Americas and Asia," said Steven Ciobo, Australia's minister for trade in an emailed statement.

New Zealand's government expected the CPTPP to boost the island nation's economy by between NZ$1.2 billion (629.6 million pounds) to NZ$4 billion a year, with beef and kiwifruit exporters among the top beneficiaries of the deal.

The 11 member countries are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

Source: uk.reuters.com- Feb 22, 2018

HOME

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USA: Will 2018 be cotton's come back year?

With the passage of the 2014 farm bill, cotton lost its status as a covered commodity. Four years later almost to the date, it regained its status. The U.S. cotton industry is resilient.

Some unfortunate world court rulings didn't favor U.S. cotton and led to its removal as a covered commodity under the 2014 farm bill, which was signed into law Feb. 7, 2014, the date cotton growers lost a viable safety net as depressed world market prices took a toll on farms soon after the passage of the Agriculture Act of 2014.

Four years later, almost to the date of losing it, however, cotton regained its Title 1 covered status Feb. 9, 2018, when Congress passed and President Donald Trump signed budget legislation, which included language to restore cotton as a covered commodity, eligible for Price Loss Coverage and Agriculture Risk Coverage programs under the Agriculture Act of 2014. A bit of irony, maybe, but certainly a welcomed outcome.

Cotton now has a better safety net in place, or it soon will with the 2018 crop. The balance has improved for the overall farm safety net needed for Southeast farms to remain sustainable and one needed to maintain the infrastructure to support agriculture in our region.

Some stubborn, and maybe shrewd, U.S. cotton leadership spearheaded by the National Cotton Council, along with support from other cotton groups and Congressional offices, regained cotton's status in Title 1. They deserve a pat on the back and a firm handshake for their work.

NCC began educating growers on the new seed cotton program this week with its "2018 Seed Cotton Program Webinars," which was presented at different times over two days for the industry across the country. If you missed them, you can see recordings of each webinar at the NCC website.

World demand for cotton is increasing once again, though supplies remain elevated, and cotton still faces intense competition from improved manmade fibers. But early 2018 cotton prices for Dec'18 futures are certainly better than they were the previous two years. Cotton acres are predicted to be a bit higher this year, too, in some parts of our growing region, where cotton is an important rotational partner in our diverse cropping systems.

So, will 2018 be cotton's come back year?

That might be the wrong question to ask. To say come back really implies something must have left. Cotton never left. U.S. cotton growers are too good, U.S. cotton leadership too dogged and the industry's products and technologies too prevailing. Each part can't miss a step, though.

The industry has faced tough economic years. And U.S. cotton will face uncertain times again. The world keeps turning, and we'll see what tomorrow brings.

Source: southeastfarmpress.com- Feb 21, 2018

HOME

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Turkey: Over 1,000 companies of knitted fabrics records $1.5 billion exports

The fabrics industry, in Turkish textiles market, has improved significantly in recent years, following the growing role of the Turkish clothing and home textiles industries in the world's market during the last 20 years.

Knitted fabrics mills are largely based in Istanbul, Bursa, Denizli, Kahramanmaras, Izmir, Gaziantep and Tekirdag making Turkey one of the world's leading manufacturers of knitted fabrics. 1,000 + companies in the country are manufacturing in the knitted fabrics industry.

Today, Turkish knitted fabrics manufacturers are aware of the trend in international markets for environmentally friendly products and are working towards that goal.

Many Turkish fabric manufacturers have ensured ecological labels for their products, including well-known eco-labels such as Oeko-Tex Standard 100, Organic Exchange and GOTS. In 2017, Turkey imported $1.55 billion worth of knitted fabrics to over 130 countries. Exports increased by 3.6 per cent, as against 2016, making it 15.3 per cent of the total textiles exports from Turkey.

During January-December 2017, Bulgaria became the most important country in terms of exports, with Turkey exporting knitted fabrics valued at $264 million.

Other important countries in terms of knitted fabrics exports are Italy, Romania and Greece. Exports to the EU, which have a share of 60 per cent in knitted fabrics exports, increased by 1.7 per cent in January-December 2017 and exports amounted to $930 million.

Source: fashionatingworld.com- Feb 22, 2018

HOME

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Pakistan: GSP Plus scheme renewal appreciated

GSP Plus plays a catalytic role in boosting exports, owing to which Pakistan enjoyed full benefits in accessing the European markets, an official said on Wednesday.

Appreciating renewal of GSP Plus Scheme for another two years, Pakistan Readymade Garments Manufacturers and Exporters Association (Prgmea) Central Chairman Shaikh Mohammad Shafiq said that Pakistan's exports to EU as a percentage of total exports increased to 34 percent in 2016 from 24 percent in 2013.

Under GSP Plus, Pakistani goods have duty-free access to 91 percent of the EU tariff lines, Shafiq said, adding that exports maintained upward trend, as the country exported goods worth 6.29 billion euros in 2016 as compared to 4.54 billion euros in 2013.

Textile sector fetch 4.87 billion euros of the total exports for 2016 as compared to 3.14 billion euros of the 4.54 billion euros fetched in 2013, showing an increase of 54.8 percent.

"We have acquired these achievements due to serious efforts of federal Minister for Commerce and Textile Muhammad Pervaiz Malik, Minister of State for Commerce and Textile Haji Mohammad Akram Ansari, and federal Commerce Secretary Mohammad Younus Dagha," he added.

Source: thenews.com.pk- Feb 22, 2018

HOME

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Bangladesh's aim for $50 billion RMG exports by 2021 seems too high

In December 2016, at a seminar organised by the BGMEA 'Taking Bangladesh Apparel Sector Forward', the state minister for foreign affairs Shahriar Alam said, last fiscal, from July 2015 to June 2016, the country's garments exports touched $28.09 billion whereas in the calendar year ending in December 2016, exports were $28.67 billion. To reach the target of $50 billion in 2021, the export rate needs to grow at a 12.25 per cent cumulative rate.

Past growth rates have been in double digits, but given the current international economic and trade environment, whether it is possible for Bangladesh to continue gain double-digit growth rates is doubtful. Asia-Pacific Trade and Investment Report 2016 notes, price growth of export goods of Bangladesh will fall in 2017 as against the current year, however, volumes will significantly increase.

At a recent conference at Harvard organised by ISDI, all stakeholders including representatives from buyers and labour unions unanimously felt the price of clothing has been falling in recent years.

The downward pressure on price, from the demand side, has been two-fold: Consumers are now buying more high-end products and apparel and footwear sellers are losing consumer big bucks to healthcare, rent, home-related products, electronics and cars.

An additional reason for the lower price is that with greater prosperity, basic needs such as food and clothing have low price elasticity. The commerce minister Tofail Ahmed last month asked labour bodies to press buyers to raise RMG prices.

Ahmed urged union leaders to connect with their counterparts in importing countries to use their influence on buyers and consumers. He said labour organisations of the RMG sector should tell buyers to raise product prices, which would help increase labour wages in the sector.

Readymade garments exporters have recently demanded higher cash incentives and devaluation of the Taka against the US dollar.

To retain market share in the low-cost-and-high-efficient region, the path to profitability and export growth is increased efficiency, higher productivity and quality management.

Source: fashionatingworld.com- Feb 21, 2018

HOME

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Pakistan: Textile exports grow 7pc in seven months

Textile exports witnessed over 7 percent growth during seven months (July 2017 to January 2018) of the current fiscal year due to PM's incentives package and rupee depreciation against the dollar.

The country exported textile and clothing products worth $7.7 billion during July-January period of the year 2017-18 as against $7.2 billion of the corresponding period of the previous year, according to the Pakistan Bureau of Statistics (PBS).

Healthy growth in textile and clothing products exports enhanced the country's overall exports to $13 billion during July-January of 2017-18 as compared to $11.7 billion of the corresponding period of the last year.

Trade analysts believed that textile exports increased due to the flow of cash under the PM's incentives package, payment of sales tax refunds as well as depreciation of local currency.

Meanwhile, the exporters had recently met Prime Minister Shahid Khaqan Abbasi and submitted number of proposals to enhance exports . PM assured the exporters that government will facilitate them in reducing the cost of doing business and early release of refund claims.

Sources said that government is preparing an incentives package to enhance the country's exports on the directive of Prime Minister Shahid Khaqan Abbasi, which is likely to be announced within next couple of weeks.

The government would likely to reduce the rates of electricity and gas for the industrial sectors.

Similarly, the government would also repay tax refunds to the exporters, which is their long lasting demand, he added. However, the official said, the exporters would have to show 20-25 percent growth in their exports to avail the incentive package.

According to the PBS, the main driver of growth was the value-added textile sector. exports of ready-made garments went up by 13.93 percent in the first seven months of the ongoing financial year. Similarly, exports of knitwear increased by 13.27 percent during the period under review.

Exports of bedwear went up by 5.62pc in value. exports of made-up articles, excluding towels, increased by 6.72 percent. Art, silk and synthetic textile exports grew by 93.54pc during the period under review. exports of cotton yarn witnessed a decline of 1.42 percent and exports of cotton cloth reduced by 1.59 percent. Similarly, exports of cotton carded tumbled by 95.71 percent.

Meanwhile, the exports of food commodities recorded massive increase of 18.83 percent during July-January period of the ongoing financial year.

On the other hand, the imports went up by 18.79 percent and were recorded at $34.5 billion during first seven months of the current financial year as against $29.02 billion during the same period last year. The country spent $7.9 billion on the imports of petroleum group, 35.58 percent higher than a year ago.

In the petroleum sector, the government imported petroleum products worth $4.45 billion and spent $2.2 billion on petroleum crude. Similarly, the country imported liquefied natural gas (LNG) worth $1.23 billion and liquefied petroleum gas (LPG) worth $190 million.

The PBS data showed that country had spent $6.68 billion on importing machinery during first seven months of the ongoing financial year. The third biggest component was food commodities whose imports rose 9.77 percent year-on-year to $3.78 billion.

Source: nation.com.pk- Feb 22, 2018

HOME

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South Korea signs Central American free trade deal

South Korea signed a free trade deal with five Central American countries on Wednesday, even as Seoul and Washington spar over their existing FTA.

Trade Minister Kim Hyun-chong signed the pact with economic ministers from Costa Rica, El Salvador, Honduras, Nicaragua and Panama, said a spokeswoman for the Seoul ministry.

The treaty, which will take effect in each country as it ratifies it, will also provide the world's 11th-largest economy with a "third route" to the US in the face of mounting trade protectionism in Washington, it said.

South Korea and the US have their own free trade agreement, known as KORUS, but have begun talks on renegotiating it at Washington's demand.

US President Donald Trump has repeatedly condemned the pact as a "horrible deal" and a "disaster", and the two allies are at loggerheads over tariffs on steel, washing machines and other goods imposed by Washington in recent weeks.

South Korea's economy is heavily dependent on international trade and the Central American pact will help it export more products such as cars, iron and steel, home appliances and textiles to the region, the trade ministry statement said.

It ran a surplus of nearly $1.9 billion with the five Central American countries last year, according to figures from South Korean trade body KITA, with exports of $2.2 billion and imports worth $333 million.

The agreement came after 32 months of talks to ease tariffs and lower barriers with six central American countries, although Guatemala decided to stay outside the deal for now.

Source: bangkokpost.com- Feb 21, 2018

HOME

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Numerous challenges facing Vietnam's exports in 2018

Last year saw Vietnam's exports rise by 21% to 213.7 billion, crossing the US$200 billion mark for the first time. Building on 2016's figure of US$1.78 billion, the country continued to run a trade surplus of around US$2.67 billion.

Export's overreliance on strong FDI

Observing favourable indicators in exports over 2017, Duong Duy Hung, head of the Planning Department under the Ministry of Industry and Trade (MoI), said export markets continued their expansion to reach more than 200 trade partners covering 29 markets with an export value of over US$1 billion each, and four with a value of US$10 billion each.

Robust patterns of growth were reported in exports to many markets. As a result of businesses capitalizing on the benefits presented by free trade agreements (FTAs), the most notable developments were made in markets. Vietnam has signed such agreements with, like ASEAN (up 24.3% to US$21.7 billion) and Japan (up 14.2% to US$16.8 billion).

Last year, 764,052 certificates of origin were granted and the value of shipments enjoying C/O incentives rose to US$37.8 billion, up 22% in quantity and 24% in value when compared to 2016.

The composition of export goods saw constructive changes, with sizable growth in both agri-forestry and aquatic products and processed industrial products.

A significant point in the development of Vietnam's exports is that the trade surplus was mainly with developed countries, which impose strict requirements on imported goods like the US, EU, Australia, and New Zealand. While Vietnam improved its trade balance with other markets, another positive signal is that it reduced the trade deficit with China thanks to expanding exports to the market.

However, MoIT Minister Tran Tuan Anh indicated a weakness in Vietnam's exports due to an over dependence on the foreign direct investment (FDI) sector.

Most processing and manufacturing products bearing a high added value are dominated by FDI businesses. In fact, the sector accounted for more than 70% of total export revenue, so any fluctuations in the sector will partly affect the value of exports.

In the face of the pitfalls of FDI, agricultural and aquatic products have found it difficult to make inroads to demanding markets which place strict requirements on quality and food hygiene. Businesses have not yet built their own stable and trusted brands for most export products.

On the other hand, Vietnam still has to import a huge volume of materials to process and manufacture goods for export. This dependence will result in any increase to world market prices, pushing the cost of domestic production up and reducing the competitiveness of domestic goods, putting at a distinct disadvantage.

Complication break down

This year, the export sector is forecast to continue facing challenges and hurdles due to instability in the global economy and the fast changing financial and trade policies of strong economies such as the EU and US. In addition, the consensus among economists is that global growth in 2018 will be slow.

Meanwhile, global supply keeps rising as many countries establish themselves in the supply chain of agricultural products, and accelerate production programs in order to reduce their dependence on imports. Protectionism is escalating with an array of trade and technical barriers being imposed by countries. Exports of some agricultural and mineral products have hit their maximum level and it is difficult to see any further improvement.

Mr Tuan Anh suggests identifying products with the potential to boost exports in the specific period, and boost market expansion, especially traditional markets with which Vietnam has signed FTAs.

The MoIT will continue to publish information about FTA incentives, streamline issuance of C/O certificates via the Internet, and self-certification systems to raise the efficiency of FTA exploitation.

It will also join the national one-door mechanisms and deploy the pilot project of a Regional Self-Certification system.

The ministry will seek improvements to the quality of its market research, analysis, and forecasting while providing market information at home and abroad. It will also take measures to renovate trade promotion management, propose workable policies, mechanisms, and measures to orient markets, and restructure the production of goods in which Vietnam holds an advantage.

Deputy Minister Tran Thanh Nam stresses the necessity of dealing with complications faced in key markets such as the EU and US, boosting brand building for agricultural products and market analysis, and outlining orientations for the development of material zones to better serve export activities.

Source: vietnamnet.vn- Feb 21, 2018

HOME

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NATIONAL NEWS

Indian e-retail market may see 250% growth in 3 yrs: Crisil

India's e-retail market may rise by 250 per cent in the next three years as players shift from discounts to consolidation, geographical diversification, business realignment and enhancing customer loyalty, says a Crisil report. The market is 1.5 per cent (Rs 70,000 crore) of the overall Rs 49-trillion Indian retail sector, implying enormous growth potential.

The online shopping segment has trebled over the past three fiscals due to rising Internet penetration, awareness of online shopping as well as alluring deals and discounts.

"After the initial phase where e-retailers focused only on gaining market share through discounts, the next phase will be characterised by consolidation, geographical diversification, business realignment, as well as enhancing customer stickiness," a news agency reported quoting the Crisil report.

A frenzied search for unicorns in the past couple of years ended badly for many investors, who saw their equity wiped out and resulted in about 26 prominent start-ups shutting shops in the past two years.

The company's analysis of 11 major e-retail firms showed that around 45 per cent of the over Rs 40,000 crore invested between fiscals 2013-14 and 2015-16 was wiped off due to losses at e- retailers. The funding trend indicates cautious and focused investing with an eye on profitability, the report said.

As the online customer base in the country is largely concentrated in major cities, faster growth will slow down in these regions as it is already highly penetrated and players would need to move into small towns to sustain growth, the report added.

Source: fibre2fashion.com- Feb 22, 2018

HOME

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Over 100% subsidy target in 2016-17 for PMEGP by KVIC

India's Khadi and Village Industries Commission (KVIC) has achieved more than cent per cent target of subsidy allotted for implementation of Prime Minister Employment Generation Program (PMEGP), says the Management Development Institute (MDI) in Gurgaon. The utilisation of the same was less than half in 2008-09, but reached 100.37 per cent in 2016-17.

Average employment per project was 7.66 people, with an average cost of Rs 94,855 for generating unit employment and an average cost per project of Rs 726,760, an MDI study found after verifying 10,044 PMEGP units — five per cent of the total units across the country — and collecting data from the beneficiaries, stakeholders and external sources.

The maximum and minimum costs for generating unit employment were Rs 265,412 (Nagaland) and Rs 25,070 (Tamil Nadu), a news agency report said citing the report.

Due to Prime Minister Narendra Modi's affection for khadi, KVIC will leave no stone unturned to follow and implement his vision, chairman Vinai Kumar Saxena said.

Source: fibre2fashion.com- Feb 22, 2018

HOME

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Home textile exporters stare at fall in profitability

The operating profit margins of home textiles exporters is seen falling 300 basis points (bps) from this fiscal following pressure on export realisations stemming from a shift in the dynamics of US retail and a reduction in incentives after the implementation of the GST.

This fiscal, the landscape is undergoing a sea-change. Many brick & mortal retailers in the US have pruned inventories and downsized stores to offset profitability pressures caused by the e-tail boom. That, along with pricing pressure, is expected to crunch EBITDA, or operating margins, to 16% starting fiscal 2018 from 19% last fiscal.

Debt being raised for capacity expansion (net of repayments) and lower EBITDA margins are expected to result in aggregate debt to EBITDA ratio increasing to 3 times in the near term from 2.5 times in fiscal 2017. However, Indian exporters have been enhancing their share of the business with US e-retailers but at lower realisations, said Crisil in a note.

Domestic home textile firms have had a good run since fiscal 2012 with India's share of the US imports of cotton bedsheets and terry towels increasing from 34% to about 40% in fiscal 2017.

Source: financialexpress.com- Feb 22, 2018

HOME

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US wants to increase agriculture exports to India

The US is keen on a broader free trade agreement (FTA) with India, but even before this can materialse, it wants to hike exports of agricultural products such as soybean meal and distiller's dried grains (DDG) made from corn to India, said visiting under secretary of agriculture Ted A McKinney. He cited the example of US exports of apple which have been growing ever since it was allowed.

He wanted India to reduce the import tariff on soybean meal, which is currently 15%. India also has restriction on soybean meal if it is made from genetically modified (GM) crop. A small quantity of the feed meal is already imported from Ukraine.

According to industry data, India's soybean meal exports are likely to drop to 1.25 million tonne in 2017-18 (October-September) from about 2 million tonne a year ago.

McKinney also said there is a market for corn-based DDG in India and he wants to facilitate its export. But India needs to liberalise its rules on import of GM crop-based products. He also said without the GM technology it would not have been possible for India to become what it is now in cotton production. India is the world's largest cotton producer.

McKinney pointed out that current trade imbalance of agricultural products favours India, but the US is not looking at the issue now. "We want to build trust and we are optimistic about relationship with India," he said.

India's export of agricultural products to the US was about $2.6 billion while America exported farm commodities worth $1.6 billion to India in 2017, he said. McKinney also suggested that India should follow the Codex standards, which are followed globally, while setting the import quality parameters for agricultural products.

Source: financialexpress.com- Feb 22, 2018

HOME

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GST e-way bill system may get implemented from March 7

GST's e-way bill system, which promises to enable faster movement of goods through a seamless portal-driven payment system, may see the light of the day from March 7, after technical glitches aborted its mandatory full-fledged launch on February 1.

While National Informatics Centre (NIC), the government's nodal IT procurement arm, wants to implement a foolproof e-way bill system from April 1, the finance ministry is pushing for an earlier rollout in its effort to prevent revenue leakages, a senior government official told Moneycontrol.

"We want e-way bill to be implemented from March 7, but it depends on the preparedness of the implementing agency (NIC). NIC is more comfortable if the rollout happens in April," the official said.

The e-way bill portal crashed on its launch day—February 1—triggering howls of criticism from traders and transporters as the movement of trucks criss-crossing on highways was severely affected.

The disruption forced the GST Council, the finance minister Arun Jaitley-headed body including officials from states and centre, to push back the compulsory generation of inter-state e-way bill.

While the system for both inter and intra-state bill generation was supposed to be ready on January 16, the Council had decided that states could choose their own timings for implementation of the document for intra-state movement of goods on any date before June 1, 2018.

On February 1, the portal collapsed as it wasn't ready to handle the large volumes of inter as well as intra-state bills that were being generated at the time.

"The portal was capable to generating only 500 bills per minute, which was way too small a capacity as compared with the traffic on the day of launch. NIC has been asked to increase its capacity to at least a few thousands so that the system doesn't collapse again," the official said.

The Centre has now asked states to rollout intra-state bill in a staggered manner so that it does not put immense pressure on the portal as the government's priority is smooth and steady implementation.

Besides, the prime rule of securing an e-way bill while ferrying goods worth more than Rs 50,000 within or outside a state through prior online registration of the consignment may be tweaked, for the time being, the official said.

To generate an e-way bill, the supplier and transporter will have to upload details on the GST Network portal, after which a unique e-way bill number (EBN) will be made available to the supplier, the recipient and the transporter on the common portal.

"The idea is to declutter the portal will less number of bills and reduce the load as much as possible," the official added.

For instance, a single transporter may have five different consignments worth more than Rs 50,0000. Yet, that transporter had to generate five separate bills despite the value of a single consignment being less than half a lakh rupee.

The responsibility of developing an e-way bill system was given to NIC in September and it was decided by the GST Council on October 6 that the e-way bill should be made compulsory beginning April 1, 2018.

However, the Council met via video conference on December 16 and decided to make the rollout of all-India electronic-way bill compulsory from February 1--two months ahead of the earlier plan to mainly plug revenue leakages.

Source: moneycontrol.com- Feb 22, 2018

HOME

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India’s share in cotton sheets in US rises 1%

Though India’s market share in home textile imports by the US remained flat at 33% during 2017, its share (in US dollar terms) in cotton sheets increased 1% to 50% during the year. India has been consistently gaining a 1% market share in cotton sheets every year since 2012.

India’s exports of cotton sheets to the US (in US dollar terms) increased 1.9% year-on-year (y-o-y) $717 million in 2017. Incidentally, cotton sheet exports from the rest of the world to the US declined 0.3% during the year.

India was able to increase its market share in the segment on the back of a 2.9% rise in volumes that partially offset the 0.9% decline in realisations.

US imports of cotton sheets remained flat during 2017. The country’s terry towel exports to the US increased 1.4% y-o-y to $642 million driven by a 6% y-o-y growth in volumes that negated the impact of a 4.4% y-o-y decrease in realisations.

India’s share in terry towel imports by the US dropped 1% to 39% during 2017.

While the rupee appreciated against the US dollar, the currencies of competitors depreciated against the Greenback placing Indian exporters at a disadvantage, observers said.

Infestation of pink bollworm in major cotton producing regions of the country has led to an increase in cotton prices since mid-December 2017.

This coupled with a 2% reduction in cotton crop estimate for 2017-18 season (October-September) and the 6.4% y-o-y appreciation of the rupee continues to remain an overhang for the textiles sector, observers said.

“Ability to renegotiate product prices in the backdrop of rising raw material prices and rupee appreciation will be the key,” they said.

Source: timesofindia.com- Feb 22, 2018

HOME

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